

## **Garbage in, Garbage out – the real cost of health reform**

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In the final days leading up to passage of the health care bill, and in the days since, Democrats have touted claims that the legislation will reduce the deficit by more than \$1 trillion over the next two decades. These claims are utterly false, and it doesn't take someone with green eye shades to figure that out.

Let me explain. The evidence lies in the assumptions that the official scorekeepers of legislation, the Congressional Budget Office (CBO), used in arriving at their conclusion that the legislation would save money.

Unlike the fiscal notes that are done by the Legislative Council experts in the Colorado General Assembly, the number-crunchers in Congress are not allowed to challenge the plausibility of key assumptions in proposed legislation. They must accept the accounting premises given to them by those writing the legislation.

So when Speaker Nancy Pelosi asserts she can pay for much of the bill by finding and stripping hundreds of billion from waste, fraud, and abuse in Medicare, the CBO is not allowed to challenge that assumption.

When Democrats assume future Congresses will enact significant spending cuts and arrive at cost conclusions by presuming that a future Congress will not cancel Medicare cost-containment measures, scale back tax increases, or disregard the payment policy findings of a new independent Medicare commission for example, CBO is not allowed to challenge that assumption.

How about when Democrats choose to disingenuously exclude an additional \$208 billion that they plan to spend in coming months to prevent a 21% cut in physician payment rates, hiding the true cost of the main health care bill? You guessed, CBO is not allowed to challenge that assumption.

When Democrats staggered the onset of the bill so they can calculate the "cost" by comparing 10 years of revenues, tax increases (about a half trillion dollars) and Medicare cuts (transfers to fund the new program) to only 6 years of spending, CBO is not allowed to challenge that assumption either.

All of these assumptions, and the inability of the official scorekeepers to challenge them, amounts to garbage in and garbage out. Or as former Congressional Budget Office director Douglas Holtz-Eakin described it in a recent New York Times Op-Ed, "fantasy in, fantasy out."

It's actually an extremely nifty trick to misrepresent the cost of this government takeover of more than one-sixth of the American economy. So what then, is the true cost of this newly enacted law that initiates two massive new entitlements; health insurance subsidies and long-term care benefits?

That cost, the real cost, is more accurately estimated at over \$2.3 trillion.

Now let's look beyond the debunked decade claims of deficit reduction in the first decade to the second decade. Democrats have been peddling another misrepresentation here.

Democrats claim that the new law will reduce the deficit \$1.3 trillion dollars over the next 20 years. The only problem is that number appears nowhere in the CBO report.

That's right, it doesn't exist.

The CBO did not calculate a dollar amount for a twenty year projection but rather stated that the deficit reduction over 20 years could, "fall in broad range around one-half percent of Gross Domestic Product (GDP)." So Democrats took some rough estimate of GDP in 2020 – 2029, and passed their cocktail napkin calculations off to the American public as a CBO determination. Yet more garbage in and subsequently, garbage out.

We haven't discovered all the places Democrats plan to beg, borrow, and steal money from in order to pay for these new entitlements. We've already seen stories on the double counting of Medicare savings, planning to use \$53 billion in increased Social Security revenues already accounted for and even the taking over and pillaging all federally financed student loans to the tune of \$19 billion. In the coming weeks and months countless more examples will be discovered - bet on it.

As Holtz-Eakin also pointed out in his Op-Ed, when you strip away all of the gimmicks and implausible assumptions, this legislation will raise deficits by \$562 billion, not reduce them. The rhetoric of deficit reduction simply fails to meet reality – and when you put garbage in, you're guaranteed to get garbage out.

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